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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

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Effectively combating negative impacts of European companies operating abroad

Motion for a resolution
tabled by Mr Stefan SCHENNACH and other members of the Assembly

This motion has not been discussed in the Assembly and commits only those who have signed it

The European Union (EU) endorsed the United Nations Guiding Principles on Business and Human Rights (UNGPs) in 2011, committing to address the adverse impacts of business activity on human rights and the environment and to improve access to justice for victims. Since then, progress has been minimal. We have improved the understanding and awareness of salient business and human rights problems; but victims are no closer to achieving justice now, compared to five years ago.

The absence of progress is due to the lack of binding regulations, and its consequences are dire. In 2012, a fire in a textile factory in Karaki, Pakistan, producing goods for EU companies claimed 260 lives. The Rana Plaza factory collapse in Bangladesh claimed over 1100 victims. The death toll is only destined to rise without legislation requiring EU companies to respect human rights both at home and abroad.

This includes requiring companies to carry out human rights due diligence in order to identify, prevent/ mitigate, remedy and account for the adverse human rights impacts of their operations. Corporate transparency, a pillar for human rights prevention and accountability, should be enhanced by a robust transposition of the Non-financial Reporting Directive.

The Council of Europe should identify and tackle all existing legal and practical barriers that victims of adverse impacts of European companies face when seeking justice in EU member States' courts. Therefore, the following measures are recommended:

– standards of parent company liability for acts of their subsidiaries and business relations should be clarified in line with the scope of the corporate responsibility to respect human rights from the UNGPs;

– rules governing private transnational litigation such as the Rome II Regulation (setting the applicable law in transnational lawsuits) should be reviewed with the aim of securing access to remedies for victims of corporate abuse in third countries;

– better access to evidence and reversal of the burden of proof in human rights cases should be addressed.

Signed (see overleaf)

Signed[1]*:*

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1. ALDE: Alliance of Liberals and Democrats for Europe
EC: European Conservatives Group
EPP/CD: Group of the European People's Party
SOC: Socialist Group
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